
THE YOUNG MEN'S CHRISTIAN ASSOCIATION
OF GREATER NEW ORLEANS

FINANCIAL STATEMENTS

DECEMBER 31, 2006

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 9/5/07



Postlethwaite & Netterville

A Professional Accounting Corporation

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THE YOUNG MEN'S CHRISTIAN ASSOCIATION OF GREATER NEW ORLEANS

FINANCIAL STATEMENTS

DECEMBER 31, 2006

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Postlethwaite & Netterville

A Professional Accounting Corporation
Associated Offices in Principal Cities of the United States
www.pncpa.com

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Young Men's Christian Association of Greater New Orleans
New Orleans, Louisiana

We have audited the statements of financial position of The Young Men's Christian Association of Greater New Orleans (a nonprofit organization) (the Association) as of December 31, 2006 and 2005, and the related statements of activities and changes in net assets, and cash flows for the years then ended. These financial statements are the responsibility of the Association's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Association as of December 31, 2006 and 2005, and the changes in its net assets and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 27, 2007 on our consideration of the Association's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audits were made for the purpose of forming an opinion on the financial statements taken as a whole. The Schedule of United Way Funded Activities included in the supplemental information section of this report is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we express no opinion on it.

Postlethwaite & Nettlesville

Metairie, Louisiana

June 27, 2007

**THE YOUNG MEN'S CHRISTIAN ASSOCIATION
OF GREATER NEW ORLEANS**

**STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2006 AND 2005**

<u>ASSETS</u>		2006	2005
<u>CURRENT ASSETS</u>			
Cash and cash equivalents	\$	90,922	\$ 83,574
Promises to give, net		-	902,650
Accounts receivable		133,885	182,445
Grants receivable		68,286	255
Prepaid expenses		92,430	109,365
Total current assets		<u>385,523</u>	<u>1,278,289</u>
<u>NONCURRENT ASSETS</u>			
Restricted cash and cash equivalents		<u>189,692</u>	<u>240,686</u>
Property and equipment:			
Land		1,117,618	1,092,618
Buildings		5,666,017	3,360,223
Furniture and equipment		1,555,786	1,259,054
Leasehold improvements		65,322	9,774
Construction in progress		-	182,835
Less accumulated depreciation		<u>(1,746,190)</u>	<u>(1,517,387)</u>
Total property and equipment, net		<u>6,658,553</u>	<u>4,387,117</u>
<u>TOTAL ASSETS</u>	\$	<u>7,233,768</u>	<u>\$ 5,906,092</u>
<u>LIABILITIES AND NET ASSETS</u>			
<u>CURRENT LIABILITIES</u>			
Accounts payable	\$	622,283	\$ 487,694
Other current liabilities		105,579	82,359
Deferred revenue		13,840	16,380
Line of credit		45,530	-
Current portion of National dues payable		59,673	29,746
Current portion of capital lease obligations		102,860	75,437
Current portion of long-term debt		685,962	29,610
Total current liabilities		<u>1,635,727</u>	<u>721,226</u>
<u>NONCURRENT LIABILITIES</u>			
National dues payable, net of current portion		59,492	99,154
Capital lease obligations, net of current portion		157,883	108,050
Long-term debt, net of current portion		773,204	652,545
Total current liabilities		<u>990,579</u>	<u>859,749</u>
<u>TOTAL LIABILITIES</u>		<u>2,626,306</u>	<u>1,580,975</u>
<u>NET ASSETS</u>			
Unrestricted:			
Undesignated		4,338,814	3,083,864
Designated		189,692	240,686
Total unrestricted		<u>4,528,506</u>	<u>3,324,550</u>
Temporarily restricted		50,086	971,697
Permanently restricted		28,870	28,870
<u>TOTAL NET ASSETS</u>		<u>4,607,462</u>	<u>4,325,117</u>
<u>TOTAL LIABILITIES AND NET ASSETS</u>	\$	<u>7,233,768</u>	<u>\$ 5,906,092</u>

The accompanying notes are an integral part of these statements.

THE YOUNG MEN'S CHRISTIAN ASSOCIATION
OF GREATER NEW ORLEANS
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
YEARS ENDED DECEMBER 31, 2006 AND 2005

	2006			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<u>PUBLIC SUPPORT AND REVENUE</u>				
Public support:				
Contributions	\$ 149,372	\$ 279,500	\$ -	\$ 428,872
Allocations from United Way	-	144,735	-	144,735
Total public support	149,372	424,235	-	573,607
Revenue:				
Membership dues	1,263,247	-	-	1,263,247
Program fees	1,191,034	-	-	1,191,034
Special events, net of direct costs of \$49,966	48,245	-	-	48,245
Sales of supplies and services	8,079	-	-	8,079
Investment income	17,477	-	-	17,477
Grants	617,789	-	-	617,789
Miscellaneous	52,734	-	-	52,734
Total revenue	3,198,605	-	-	3,198,605
Total public support and revenue before net assets released from restrictions	3,347,977	424,235	-	3,772,212
Net assets released from restrictions	1,345,846	(1,345,846)	-	-
Total public support and revenue	4,693,823	(921,611)	-	3,772,212
<u>EXPENSES</u>				
Program services:				
Physical	636,269	-	-	636,269
Program	1,463,810	-	-	1,463,810
Occupancy	419,624	-	-	419,624
Support services:				
Administration	970,164	-	-	970,164
Total expenses	3,489,867	-	-	3,489,867
<u>CHANGE IN NET ASSETS</u>	1,203,956	(921,611)	-	282,345
<u>NET ASSETS:</u>				
<u>BEGINNING OF THE YEAR</u>	3,324,550	971,697	28,870	4,325,117
<u>END OF THE YEAR</u>	\$ 4,528,506	\$ 50,086	\$ 28,870	\$ 4,607,462

Continued

THE YOUNG MEN'S CHRISTIAN ASSOCIATION
OF GREATER NEW ORLEANS

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS, CONTINUED
YEARS ENDED DECEMBER 31, 2006 AND 2005

	2005			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<u>PUBLIC SUPPORT AND REVENUE</u>				
Public support:				
Contributions	\$ 299,182	\$ 1,119,461	\$ -	\$ 1,418,643
Allocations from United Way	-	103,743	-	\$ 103,743
Total public support	299,182	1,223,204	-	1,522,386
Revenue:				
Membership dues	806,831	-	-	806,831
Program fees	994,302	-	-	994,302
Special events, net of direct costs of \$6,588	17,341	-	-	17,341
Sales of supplies and services	13,330	-	-	13,330
Investment income	5,270	-	-	5,270
Grants	753,958	50,000	-	803,958
Miscellaneous	46,489	-	-	46,489
Total revenue	2,637,521	50,000	-	2,687,521
Total public support and revenue before net assets released from restrictions	2,936,703	1,273,204	-	4,209,907
Net assets released from restrictions	385,252	(385,252)	-	-
Total public support and revenue	3,321,955	887,952	-	4,209,907
<u>EXPENSES</u>				
Program services:				
Physical	435,071	-	-	435,071
Program	1,561,945	-	-	1,561,945
Occupancy	573,092	-	-	573,092
Support services:				
Administration	689,681	-	-	689,681
Total expenses	3,259,789	-	-	3,259,789
<u>CHANGE IN NET ASSETS</u>	62,166	887,952	-	950,118
<u>NET ASSETS:</u>				
<u>BEGINNING OF THE YEAR</u>	3,262,384	83,745	28,870	3,374,999
<u>END OF THE YEAR</u>	\$ 3,324,550	\$ 971,697	\$ 28,870	\$ 4,325,117

The accompanying notes are an integral part of these statements.

**THE YOUNG MEN'S CHRISTIAN ASSOCIATION
OF GREATER NEW ORLEANS**

**STATEMENTS OF FUNCTIONAL EXPENSES
YEARS ENDED DECEMBER 31, 2006 AND 2005**

2006	Programmatic Services				Support Services	
	Physical	Program Services	Occupancy	Total	Adminis- tration	Total Expenses
Salaries and wages	\$ 387,609	\$ 939,464	\$ 16,660	\$ 1,343,733	\$ 438,959	\$ 1,782,692
Employee benefits	21,247	91,280	601	113,128	38,610	151,738
Payroll taxes	44,471	106,237	1,961	152,669	43,472	196,141
Purchased contract services	6,982	24,680	46,235	77,897	34,748	112,645
Supplies	18,773	113,691	29,676	162,140	15,412	177,552
Telephone	160	7,624	19,221	27,005	10,353	37,358
Postage and shipping	9,828	3,035	-	12,863	2,439	15,302
Occupancy	227	92,072	255,101	347,400	25,979	373,379
Equipment	34,760	6,729	7,764	49,253	21,812	71,065
Printing, publicity and promotion	35,429	8,398	-	43,827	10,545	54,372
Travel and employee	5,566	6,390	132	12,088	14,678	26,766
Meeting and training	6,203	4,299	-	10,502	21,397	31,899
Membership dues	24,769	28,765	1,297	54,831	6,056	60,887
Finance costs	40,234	337	-	40,591	15,657	56,248
Insurance	-	29,486	40,976	70,462	21,604	92,066
Depreciation	-	-	-	-	239,092	239,092
Loss on disposal of assets	-	-	-	-	2,559	2,559
Miscellaneous	11	1,303	-	1,314	6,792	8,106
	\$ 636,269	\$ 1,463,810	\$ 419,624	\$ 2,519,703	\$ 970,164	\$ 3,489,867

Continued

THE YOUNG MEN'S CHRISTIAN ASSOCIATION
OF GREATER NEW ORLEANS

STATEMENTS OF FUNCTIONAL EXPENSES, CONTINUED
YEARS ENDED DECEMBER 31, 2006 AND 2005

	2005	Programmatic Services			Support Services Administration	Total Expenses
		Physical	Program Services	Occupancy		
Salaries and wages	\$ 297,971	\$ 980,929	\$ 15,695	\$ 1,294,595	\$ 370,377	\$ 1,664,972
Employee benefits	18,590	121,320	363	140,273	37,123	177,396
Payroll taxes	34,718	114,680	1,832	151,230	39,030	190,260
Purchased contract services	10,673	52,040	29,699	92,412	35,440	127,852
Supplies	11,783	115,705	16,784	144,272	9,614	153,886
Telephone	-	7,823	13,079	20,902	7,611	28,513
Postage and shipping	3,371	1,159	-	4,530	3,966	8,496
Occupancy	-	67,878	207,600	275,478	17,614	293,092
Equipment	3,419	5,996	4,067	13,482	27,666	41,148
Printing, publicity and promotion	10,223	19,144	-	29,367	9,089	38,456
Travel and employee	209	16,207	-	16,416	6,111	22,527
Meeting and training	126	10,254	-	10,380	16,319	26,699
Membership dues	15,730	25,905	439	42,074	6,023	48,097
Finance costs	28,258	3,035	1,756	33,049	23,157	56,206
Insurance	-	19,870	44,029	63,899	17,970	81,869
Depreciation	-	-	237,749	237,749	-	237,749
Hurricane expenses and losses	-	-	-	-	62,571	62,571
	<u>\$ 435,071</u>	<u>\$ 1,561,945</u>	<u>\$ 573,092</u>	<u>\$ 2,570,108</u>	<u>\$ 689,681</u>	<u>\$ 3,259,789</u>

The accompanying notes are an integral part of these statements.

THE YOUNG MEN'S CHRISTIAN ASSOCIATION
OF GREATER NEW ORLEANS

STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2006 AND 2005

	<u>2006</u>	<u>2005</u>
<u>OPERATING ACTIVITIES</u>		
Change in net assets	\$ 282,345	\$ 950,118
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	239,092	237,749
Non-cash donation	(145,000)	(120,000)
Loss on sale of property	2,559	-
(Increase) decrease in operating assets:		
Accounts and other receivables	883,179	(846,362)
Prepaid expenses	16,935	(9,375)
Increase in operating liabilities:		
Accounts payable	134,589	22,824
Other current liabilities	20,680	55,646
Net cash provided by operating activities	<u>1,434,379</u>	<u>290,600</u>
<u>INVESTING ACTIVITIES</u>		
Purchases of buildings and equipment	(2,328,425)	(78,308)
Proceeds from sale of property	121,500	-
Net cash used in investing activities	<u>(2,206,925)</u>	<u>(78,308)</u>
<u>FINANCING ACTIVITIES</u>		
Repayment of debt and capital leases	(112,373)	(61,623)
Repayment of National dues payable	(9,735)	(19,830)
Proceeds of line of credit, net	45,530	-
Proceeds from long term debt	805,478	-
Net cash provided by (used in) financing activities	<u>728,900</u>	<u>(81,453)</u>
Net increase (decrease) in cash	(43,646)	130,839
Cash and cash equivalents, beginning of year	<u>324,260</u>	<u>193,421</u>
Cash and cash equivalents, end of year	<u>\$ 280,614</u>	<u>\$ 324,260</u>
<u>RECONCILIATION TO THE STATEMENT OF FINANCIAL POSITION</u>		
Cash and cash equivalents, unrestricted	\$ 90,922	\$ 83,574
Cash and cash equivalents, restricted	189,692	240,686
Total cash and cash equivalents	<u>\$ 280,614</u>	<u>\$ 324,260</u>
<u>NON-CASH TRANSACTIONS</u>		
Received land donation	\$ 145,000	\$ 120,000
Capital leases entered for the purchase of equipment	<u>\$ 161,162</u>	<u>61,138</u>
<u>CASH PAID DURING THE YEAR FOR:</u>		
Interest	<u>\$ 40,526</u>	<u>\$ 30,957</u>

The accompanying notes are an integral part of these statements.

YOUNG MEN'S CHRISTIAN ASSOCIATION OF GREATER NEW ORLEANS
METAIRIE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

Organization

The Young Men's Christian Association of Greater New Orleans (the Association) is a not-for-profit organization established in 1852 to provide education and leadership development and to promote healthy lifestyles which strengthen family relationships in the southern Louisiana area. The Association is a family of volunteers, members and staff helping the people of the community achieve their God-given potential through development of spirit, mind and body.

The Association operates a central office and ten facilities which are located in Orleans, Jefferson, St. Tammany, St. Charles, St. John, and Plaquemines Parishes. In addition to the various services offered through the Association's fitness centers, the Association's programs and services include, among others:

- Adult literacy programs
- Child care
- Day camp and teen leadership programs
- Family relationship programs
- Neighborhood service programs

Basis of Accounting and Presentation

The financial statements of the Association are presented on the accrual basis of accounting. Net assets, support and revenues, and expenses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Association and changes therein are classified and reported as follows:

- Unrestricted net assets - Net assets that are not subject to donor-imposed stipulations.
- Temporarily restricted net assets - Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Association and/or the passage of time.
- Permanently restricted net assets - Net assets subject to donor-imposed stipulations that neither expire by the passage of time nor can be fulfilled and removed by actions of the Association pursuant to those stipulations.

YOUNG MEN'S CHRISTIAN ASSOCIATION OF GREATER NEW ORLEANS
METairie, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (continued)

Contributions

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and are reported in the statements of activities as net assets released from restriction.

Gifts of long-lived operating assets such as land, buildings or equipment are reported as unrestricted support, unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long these long-lived assets must be maintained, expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed in service.

Contributions of donated noncash assets (such as materials and equipment) are recorded at their fair or estimated values in the period received.

Property and Equipment

Property and equipment consists of buildings, office furniture and equipment and leasehold improvements, and is stated at cost or, if contributed, at fair market value at date of donation. Depreciation and amortization are provided on a straight-line basis over the estimated useful lives of the related assets. The Association has established a policy capitalizing all expenditures for property and equipment in excess of \$500. Buildings are depreciated over 40 to 50 years; the useful lives for other depreciable items range from 3 to 10 years. The Association capitalized \$12,135 of interest expense in 2006.

Allocation of Functional Expenses

Expenses are summarized on a functional basis. Salaries and related payroll expenses are distributed based upon the time spent for each function. Distribution of all other shared expenses is based upon management's estimates of the usage applicable to conducting various program or support activities.

YOUNG MEN'S CHRISTIAN ASSOCIATION OF GREATER NEW ORLEANS
METAIRIE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (continued)

Income Taxes

The Association is exempt from Federal income taxes under Section 501(a) (3) of the Internal Revenue Code and from State income taxes under Section 121 (5) of Title 47 of the Louisiana Revised Statutes of 1950.

Cash and Cash Equivalents

For purposes of the statements of cash flows, cash and cash equivalents represent demand deposits and highly liquid investments with an initial maturity of three months or less.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

2. Capital Leases

The Association has capital lease agreements for equipment. The cost of the equipment, which is included in property and equipment, leased under capital leases is \$417,585 and accumulated depreciation on this equipment is \$184,390 resulting in a net book value of \$233,195 as of December 31, 2006.

The following is a schedule of the future minimum lease payments under these capital leases, and the present value of the net minimum lease payments at December 31, 2006:

Fiscal year ending as December 31:	
2007	\$ 121,123
2008	84,513
2009	68,316
2010	20,104
Total minimum lease payments	294,056
Less amount representing interest	33,313
Present value of future minimum lease payments	260,743
Less current portion	102,860
Noncurrent portion of leases payable	\$ 157,883

YOUNG MEN'S CHRISTIAN ASSOCIATION OF GREATER NEW ORLEANS
METAIRIE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

2. Capital Leases (continued)

The following is a schedule of the future minimum lease payments under these capital leases, and the present value of the net minimum lease payments at December 31, 2005:

Fiscal year ending as December 31:	
2006	\$ 87,635
2007	66,344
2008	36,265
2009	19,246
Total minimum lease payments	209,490
Less amount representing interest	26,003
Present value of future minimum lease payments	183,487
Less current portion	75,437
Noncurrent portion of leases payable	\$ 108,050

3. Notes Payable and Line of Credit

The Association had notes payable which consisted of the following as of December 31, 2006 and 2005:

	<u>2006</u>	<u>2005</u>
Note payable to a bank with interest at 6.5%, payable in 35 regular payments of \$6,139, a final payment of \$627,062 due in December 2007, collateralized by a mortgage relating to real property.	\$ 653,688	\$ 682,155
Note payable to a bank with interest at 8.75%, payable in 23 regular payments of \$8,937, a final payment of \$738,664 due in January 2009, collateralized by a mortgage relating to furniture, fixtures, and equipment.	805,478	-
Total	1,459,166	682,155
Less current portion	685,962	29,610
Long-term portion	\$ 773,204	\$ 652,545

YOUNG MEN'S CHRISTIAN ASSOCIATION OF GREATER NEW ORLEANS
METAIRIE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

3. Notes Payable and Line of Credit (continued)

Future principal payments at December, 31 2006 are as follows:

2007	\$	685,962
2008	\$	40,063
2009	\$	733,140

The Association has a line of credit with a lender for borrowings to a maximum balance of \$200,000 at a rate of 9.25%. Borrowings under the line of credit are collateralized by the assets of the Association. As of December 31, 2006 and 2005, respectively, \$45,530 and \$0 had been borrowed under the line of credit.

4. Restricted Net Assets

Temporarily restricted net assets of \$50,086 and \$971,697 as of December 31, 2006 and 2005, respectively, are restricted due to time. Temporarily restricted net assets of \$50,086 and \$69,047 as of December 31, 2006 and 2005, respectively, consist of donor restricted funds. Permanently restricted net assets of \$28,870 as of December 31, 2006 and 2005 relate to an operating endowment.

5. Employee Benefits

In August 2003, the Association began participating in a defined contribution, individual account, money purchase retirement plan which is administered by the YMCA Retirement Fund (a separate corporation). Employer contributions to the plan for the years ended December 31, 2006 and 2005 were \$48,654 and \$47,608, respectively.

6. National YMCA Organization

The Association is a member of the National YMCA Organization and is responsible for paying monthly support to the National YMCA (National) in the form of dues. In a previous year, the Association negotiated a payment schedule. The agreement requires monthly installments of \$2,479 which began January 1, 2005. Payments were temporarily suspended during the months after Hurricane Katrina and resumed in 2006. The remaining balance of the payable at December 31, 2006 and 2005 was \$119,165 and \$128,900, respectively.

YOUNG MEN'S CHRISTIAN ASSOCIATION OF GREATER NEW ORLEANS
METairie, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

7. Grants

The Association participates in a number of state and federally-assisted grant programs. Federal and state grants of \$96,656 and \$211,992 were included in grants revenue for the years ended December 31, 2006 and 2005, respectively. The programs are subject to compliance audits. Such audits could lead to requests for reimbursement by the grantor agency for expenditures disallowed under terms of the grants. The Association's management believes that the amount of disallowances, if any, which may arise from future audits, will not be material to the financial statements.

8. Natural Disaster

Hurricane Katrina hit the Greater New Orleans area and the Mississippi Gulf Coast on August 29, 2005. The Association's branches were closed for several weeks following the hurricane. Several facilities suffered flood and other damages due to the hurricane. The Association incurred additional expenses of \$78,250 as a result of the hurricane. The net book value of property and equipment damaged by the hurricane is \$81,797. Insurance proceeds recognized in 2005 resulting from property and flood insurance claims total \$97,476, of which \$42,737 is included in accounts receivable as of December 31, 2005. The expenses and losses less insurance proceeds totaling \$62,571 are recognized on the Statement of Activities and Changes in Net Assets for the year ended December 31, 2005. Business interruption insurance proceeds of \$25,000 are recognized on the Statement of Activities and Changes in Net Assets in Miscellaneous Revenue for the year ended December 31, 2005. Insurance proceeds recognized in 2006 resulting from property and flood insurance of \$41,515 are included in miscellaneous revenue on the Statement of Activities and Changes in Net Assets for the year ended December 31, 2006.

9. Working Capital Deficiency

As shown in the accompanying financial statements, while the Association incurred an increase in net assets of \$282,345 during the year ended December 31, 2006, as of that date, the Association's current liabilities exceeded its current assets by approximately \$1.3 million. The Association is refinancing the balloon payment on its debt due in December 2007. In addition, management is working with grants/donors to ensure additional receipt of funds. The financial statements do not include any adjustments that might be necessary if the Association is unable to continue as a going concern.

SUPPLEMENTAL INFORMATION

**THE YOUNG MEN'S CHRISTIAN ASSOCIATION
OF GREATER NEW ORLEANS**

**SCHEDULE OF UNITED WAY ACTIVITIES (UNAUDITED)
YEAR ENDED DECEMBER 31, 2006**

FUNCTIONAL BUDGET SPREADSHEET 2005-2006					
		PROGRAM SERVICES			
		YMCA Educ. Services (YES)	Personal Development	Childcare	Youth Development
REVENUE:		5	6	7	8
1	4200 BOARD GENERATED SELF SUPPORT	\$ 39,017	\$ 998	\$ 57,224	\$ 1,066
2	4201 CLIENT GENERATED SELF SUPPORT	37,635	1,059,935	777,206	307,465
3	5000 GOVERNMENT GRANTS/CONTRACTS	(9,687)	0	0	0
4	6700 OTHER REVENUE		0	0	0
5	TOTAL SELF GENERATED REVENUE	66,965	1,060,933	834,430	308,531
6	4702 UNITED WAY DESIGNATIONS	0	0	0	0
7	4703 CFC DESIGNATIONS	0	0	0	8,629
8	4704 OTHER UNITED WAY ALLOCATIONS	43,064	0	0	0
9	TOTAL REVENUE	110,029	1,060,933	834,430	317,160
10	4701 UNITED WAY ALLOCATION - GNO	26,344	(2,304)	46,454	12,858
11	GRAND TOTAL REVENUE	\$ 136,373	\$ 1,058,629	\$ 880,884	\$ 330,018
EXPENSES:					
12	7300 COMPENSATION EXPENSES	\$ 122,217	\$ 390,949	\$ 881,882	\$ 159,848
13	8400 OCCUPANCY EXPENSES	13,585	504,505	66,054	32,360
14	8700 TRAVEL & TRANSPORTATION EXP.	2,356	6,340	10,129	1,574
15	8900 SPECIFIC ASSISTANCE	0	0	0	0
16	9402 BOARD GENERATED SELF SUPPORT	0	0	0	0
17	9400 OTHER DIRECT PROGRAM/SUPPORT	17,005	184,973	161,729	63,114
18	GRAND TOTAL EXPENSES	\$ 155,163	\$ 1,086,767	\$ 1,119,794	\$ 256,896
19	NET DIFFERENCE	\$ (18,790)	\$ (28,138)	\$ (238,910)	\$ 73,122
20	9500 DEPRECIATION	\$ 8,982	\$ 118,835	\$ 0	\$ 0

See accompanying independent auditors' report.



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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

To the Board of Directors
Young Men's Christian Association of Greater New Orleans
New Orleans, Louisiana

We have audited the financial statements of The Young Men's Christian Association of Greater New Orleans (a nonprofit organization) (the Association) as of and for the year ended December 31, 2006 and have issued our report thereon dated June 27, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Association's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Association's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Association's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Association's financial statements that is more than inconsequential will not be prevented or detected by the Association's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Association's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Association's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Board, the Association's management and federal awarding agencies and pass-through entities, such as the State of Louisiana and Legislative Auditor's Office and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Postlethwaite & Nettville

Metairie, Louisiana
June 27, 2007

